



IDAHO DEPARTMENT OF LANDS

BUREAU OF FOREST MANAGEMENT

FISCAL YEAR 2007 REPORT

July 1, 2006 – June 30, 2007

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Forest Management Bureau Structure

The Forest Management Bureau (hereafter referred to as the “bureau” in this report) includes the Bureau Chief, the Financial Unit, Program Managers, Planning and Forest Inventory. The Bureau Chief is responsible for the timber management program and all associated management activities for all forested endowment lands. His efforts ensure that the forested endowment lands are managed in a coordinated, consistent, and professional manner.

The Financial Unit consists of four full-time positions: The unit supervisor, the financial technician, the contract specialist, and the scaling office specialist. This unit also included a technical records specialist who works approximately 24 hours per week. Activities for this Unit includes, but is not limited to, all financial accounting for all sales of timber, timber sale contract and associated document preparation and tracking, accounting and timber sale data entry and monitoring within the Navision Accounting Program, and truck ticket preparation and accountability.

Program Managers provide programmatic review of all timber sale and forest management activities conducted by the Areas. This includes timber sale preparation, contract administration, forest management activities such as tree planting, road maintenance, or hazard management, contracting for coordinated forest management activities, and supervision of the log scaling group. There are three Program Managers associated with these responsibilities.

The Planning Manager has been responsible for several large projects associated with looking to the future directions of the timber management program. These include harvest scheduling, asset management for the entire department, preparation of a business plan for the timber program, preparation of the draft secondary base forest lands management plan, conducting a wood basket study and a market analysis for IDL timber products, and contracting for and directing a gross land appraisal for all of Idaho’s endowment lands.

The Forest Inventory Analyst is responsible for planning, direction, implementation, and maintenance of the standing forest inventory. In addition, he provides updated reports to each Area periodically and as requested for detailed information. He also provides input and analysis for a variety of project and information requests throughout the year.

Through the efforts of this staff, in conjunction with the forest management staff of the Areas, Idaho seeks to be recognized as a leader in forest management throughout the country.

Executive Summary

The central objective of the bureau during fiscal year 2007 has been the successful implementation of the 30 million board foot level of harvest increase as directed by the Land Board. This simple statement understates the effort required by the Bureau and each of the Areas. Although the Legislature has recognized this increased workload with additional personnel for the forestry staff of IDL, a significant effort has been required by all members of the bureau staff to meet the increased volume requirement.

Implementation of an upgrade to the Navision timber sale accounting program resulted in a significant work increase. This involved participation in development, testing, implementation, testing and more testing. During a two month period a duplicate accounting was conducted with the old and new versions. This was not a smooth transition from one to the other, but was completed to achieve an acceptable level of program performance. There are still improvements necessary to effectively and efficiently meet the timber sale accounting needs of IDL. Perhaps the most important improvement required is the ability to develop accurate reports on a periodic basis. This applies specifically to requests from the Endowment Fund Investment Board for current and future revenues. The Bureau has been unable to accurately report production and revenue on a periodic basis from Crystal Reports in association with the Navision Timber Sale Accounting. Work is ongoing with MIS to improve the quality of these reports.

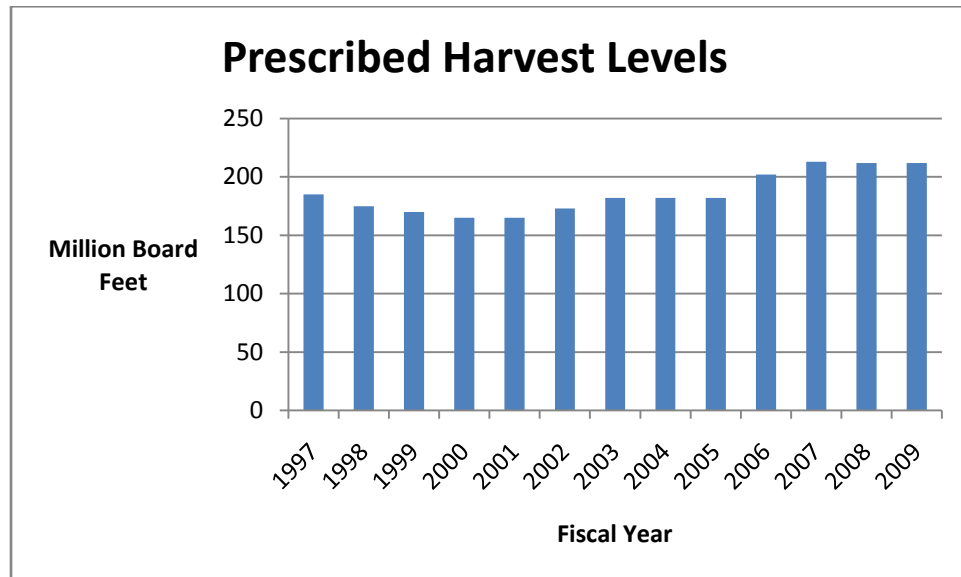
The Bureau is responsible for the programmatic quality of all timber sales presented to the Land Board. This is being accomplished by working closely with each Area as requested and by conducting audits of a sampling of the timber sale packages delivered to the bureau for completion. The success of IDL's timber sale program is closely related to the quality of sale development, justification, and, documentation for each and every sale. There are still a variety of errors discovered by the Bureau prior to contract preparation. The Bureau is working to categorize these errors to develop appropriate training for the forestry staff.

Among other requirements the Bureau has begun the process of Asset Management for the timber program. This has required several planning and assessment projects begun or completed during this year. These projects will serve as the building blocks for the Asset Management Plan. These projects include updates to the forest inventory program, a wood basket study, a market analysis, a business plan for the timber program, and a draft management plan for the secondary base forest lands.

Timber Sales Program

Timber Sales Plans

As illustrated in the chart below, prescribed harvest levels for the previous 10 years have fluctuated from 165 million board feet to 213 million board feet.



The Forest Management Bureau has been instrumental in increasing the focus on the most recent stand based inventories and statewide continuous forest inventory plots to determine harvest levels and maximize long term financial returns to the endowments.

Annually the Bureau works with the Areas to collate individual Areas' priorities and produce a detailed proposed annual sales plan, which is advertised to the public two years in advance and presented to the State Board of Land Commissioners for approval in April and published in May of each year. The Bureau produces numerous additional reports, which are submitted along with the annual sale plan to the April Land Board meeting. Those additional reports include: road development and maintenance cost estimates, notification letters to other state agencies and the timber industry, ten year harvest level results, and public comments.

Monthly, the Bureau provides a detailed, seven page timber sale activity memo to the Board of Land Commissioners. This memo contains extensive monthly and annual production and financial information by volume, by value, by Area, by endowment, and by forest product type.

Forest Management

Timber Sales

Average Sale Prices

	FY 2006	FY 2007
Sawlogs	\$313.07 / MBF	\$292.54 / MBF
Cedar Poles	\$5.91 / LF	\$8.26 / LF

Source: Sale Recap Bidding Effect Report

Timber Harvest

Area	Sawlogs (MBF)	Cedar Poles (LF)	Cedar Products (MBF)	Pulp (MBF)
Priest Lake	14,575	162,650	204	3,403
Pend Oreille	10,504	94,065	42	862
Kootenai Valley	5,359	19,755	10	253
Mica	3,865	26,315	7	44
St. Joe	27,108	136,045	1,119	1,755
Cataldo	4,997		4	273
Clearwater	31,435	200,995	1,059	3,930
Ponderosa	20,698	265,775	519	4,151
Maggie Creek	16,301	9,835	242	5,648
Craig Mountain	8,324			1,345
Payette Lakes	35,395			2,352
Southwest	9,146			35
Eastern	5,065			
Total	192,770	915,435	3,206	24,052

Source: Harvest Recap Report

Total harvest receipts in fiscal year 2007 are \$56,896,809 for stumpage, \$4,624,812 in interest, for a total of \$61,521,622.

The Department sold 74 large timber and salvage sales at auction in fiscal 2007. Another 195 miscellaneous (direct sales, right-of-way, firewood, etc.) sales were sold. All sales flow through the bureau for processing, tracking and monitoring.

At the end of fiscal year 2007 the Department held 165 timber sale contracts with a remaining estimated volume to be harvested of 238,630 MBF valued at \$83,984,684. Compared to a year earlier, this is a decrease of 105,487 MBF in volume and an increase of \$2,634,317 in value.

Money from harvest is deposited into the earnings reserve fund.

Timber Sale Program Oversight

The Forest Management Bureau has over-sight responsibility for the Idaho Department of Lands' statewide timber sale program. Previous to January of 2006, all timber sale documents were intensely scrutinized by bureau staff for accuracy, compliance with regulations and policy and conformity to standardized terms. The Director's decision to transfer the responsibility for the quality control of sales from the Bureau to the Areas required a major shift in policy and procedure. In fiscal year 2007, bureau staff rewrote many sections of the Timber Management Procedures Manual to implement the decision to change and provide guidance to Area operations for timber sale submittal. Bureau oversight of timber sale document preparation is now accomplished by a complete document audit of one of every ten sales submitted including at least one from each Area.

All final timber sale and salvage sale contracts are completed by Forest Management Bureau staff. The documentation required for a complete timber sale continues to grow in volume and complexity. Most timber sale packages that arrive at the bureau are complete, accurate and well-written. However, despite the transfer of quality control responsibility from the bureau to the Areas, timber sale documents submitted to the bureau for contract preparation, contract modifications and extensions often require correction and clarification before submittal to the Land Board for approval.

Examples of common omissions and errors in need of correction include:

- Incomplete or illegible contract special terms.
- Incorrect prospectus. Bid bond amounts based on ten percent of gross sale value rather than net sale value.
- Poor grammar and spelling in "remarks" section of Memo to Land Board

Further correction and clarification may also be required to prepare a flawless timber sale contract after the sale is sold.

In addition to sale contract document oversight described above, the bureau audits timber sale field operations for compliance with applicable regulations, policy and the timber sale contracts. The field audits are usually conducted as part of the formal Area Visitations described elsewhere in this report. Active timber sales are the focus of the field audits with both Area staff and bureau staff participating in the audit to assure that actual on-the-ground accomplishment matches the intent of the timber sale contract.

Financial Program

The Timber Management Financial Program consists of four full-time positions: the unit manager; the Timber Management financial technician; the Timber Management contract specialist; and the Timber Management scaling office specialist. We also have a Timber Management technical records specialist who works approximately 24 hours per week.

In addition to daily work as assigned, fiscal year 2007 saw the financial program heavily involved in the testing and reporting of errors with regard to the upgrade to Navision 4.0, the accounting system that is used to track everything from issued load tickets to blanket payment bond balances, to monthly statements of account on each sale. As an outcropping of the upgrade of Navision, the reporting system that we use for most reports, Crystal Reports, also required extensive testing. Both of these matters are ongoing as we continue to work through issues in Navision that were outstanding at the time of upgrade as well as numerous Crystal Reports that continue to need upgrade work.

Non-Navision tasks and responsibilities include supervisory responsibilities for the unit manager and the financial technician; maintenance as the office of record for all sale files that involve the sale of timber from any state-owned land; secure tracking of all issued load tickets and secure storage of all returned load tickets; preparation of special terms of sale for all large sales; providing reports and sale information to the Land Board and Endowment Investment Board monthly; preparation and tracking of all large sale contracts and bonding documents; and ensuring compliance with insurance requirements for large sale purchasers according to risk management and legal counsel guidelines.

In fiscal year 2007, the following was accomplished by the financial program:

Pre-Auction Sale Set-Up

Preliminary sale packages are received in the financial program through the Ops Chief in the case of Areas in the north operations jurisdiction and directly from Area personnel in the case of Areas in the south operations jurisdiction. The following numbers correspond to timber and salvage pre-auction packages processed in fiscal year 2007 by the contract specialist:

- 106 Sale files created
- 106 Special Terms of Sale prepared and forwarded for approval
- 60 New sales prepared for submittal to the Land Board for approval

Approximately 80% of the special term packages the contract specialist prepares go back and forth between the forester on the supervisory area and the forest management bureau several times before a final set of terms is agreed upon.

Load Ticket Maintenance

In addition to the following hard numbers, the scaling office specialist is responsible for monitoring and tracking the actual load tickets and summary scale sheets. She also maintains secure files where all of the used load tickets are filed. Every ticket for every sale must be accounted for at the close of a sale; an extensive audit is run to ensure the safe return of tickets and to verify information pertinent to the scaling program. For fiscal year 2007, there were 264 sale closures for just timber and salvage sales. Processed ticket information is not available for direct sales, rights-of-way, and other permits for the removal of small volume.

55,084	Load Tickets Issued -- All Sales
43,777	Timber and Salvage Sale Load Tickets Processed
69,321	Lines of Timber and Salvage Sale Ticket Entry Posted
2,578	Lines of Timber and Salvage Sale Ticket Entry Adjusted
1,289	Timber and Salvage Sale Load Tickets Adjusted

Bonding

The financial technician is responsible for tracking and monitoring all bonding associated with the sale of timber from state-owned lands. She maintains balances on blanket bonds; records surety, letter of credit, and certification of deposit bonds; and audits cash bond balances. In fiscal year 2007, 1,640 bond transactions were posted in Navision with a total value of \$277,060,908.14 being tracked and maintained.

\$11,885,027.40	Cash Initial Deposit
\$991,462.26	Cash Payment Bonds
\$856,702.05	Cash Pending Bonds
\$1,244,451.02	Cash Performance Bonds
<u>\$67,567.41</u>	Cash Performance Bonds Transferred - 62 Bonds
\$15,045,210.14	TOTAL CASH BONDS TRACKED & MAINTAINED
\$57,990,650.00	Blanket Bonds
\$949,200.00	Certificate of Deposit Documents
\$7,979,048.00	Letters of Credit
<u>\$195,096,800.00</u>	Surety Payment & Performance Bonds
<u><u>\$227,060,908.14</u></u>	

In addition to the various types of bonds that are posted in Navision, the financial technician reviews and approves or rejects numerous bid bonds submitted before each auction. There were a total of 74 auctions held in fiscal year 2007.

Of the letters of credit that are submitted to the financial tech by various banking intuitions, 90% are incomplete or incorrect. Quite a bit of time is spent in verbal conversation and in the back and forth faxing and mailing of letters of credit before submitted letters of credit are determined to be acceptable.

Certificates of Insurance

In fiscal year 2007, the scaling office specialist reviewed insurance certificates on 63 new timber and salvage sales to insure compliance with policy and procedure. Over 50% of the certificates of insurance submitted are out of compliance. The scaling office specialist spends numerous hours on the phone and in reviewing submitted certificates before these out of compliance certificates are considered acceptable.

Continuing harvest activity for 83 large sale purchasers required ongoing compliance monitoring. Additionally, assistance is offered and often provided to area office personnel who have the responsibility of ensuring compliance for purchasers of sales that are signed by the area supervisor--small volume purchasers.

Sale Contracts

As the office of record for all sales that involve the removal of timber from any state-owned land, the contract specialist prepares, tracks, and maintains files for the following:

- 314 Total active sales in fiscal year 07 -- Net Sale Value - \$148,363,092.94
- 63 Contract packages prepared and mailed -- Net Appraised Value - \$33,253,933.85
- 30 Sale Extensions processed
- 264 Sale Cancellations processed
- 11 Contract Modifications processed -- Value - \$208,710.66

Invoices and Receipts

The financial unit manager processed 9,003 lines of invoice data in fiscal year 07 with a total value of \$75,675,277.25. The financial technician was responsible for the accurate processing of receipts totaling \$69,743,346.82 that were generated from 9,227 lines of receipt data.

Approximately 1 in 10 documents arrive at the bureau, from the various supervisory area offices, with insufficient information to allow for timely invoicing and receipting of funds deposited with the State Treasurer. Additionally, the financial program supervisor spends quite a bit of time in telephone conversations obtaining the necessary information to accurately invoice charges that correspond with submitted bank deposit slips.

Monthly Billings

In fiscal year 07, the financial technician processed an average of 113 statements of account and corresponding back-up reports every month with a monthly average value of \$6,306,273. A total of 1,359 statements and backup reports were mailed in fiscal year07 for a total value of \$75,675,277.

Land Board and Investment Board Reports

Every month the program supervisor produces reports for use by the Land Board and the Endowment Fund Investment Board. The following items are reported on financial activity for the previous month on various Informational Memos to the Land Board on Timber Sale Activity:

- Volume and Value Harvest Recap by Area
- Volume and Value on Active Sales
- Volume and Value Summary by Species Types
- Harvest Invoices by Endowment
- Harvest Receipts by Endowment
- Value Totals Under Contract Summary by Endowment
- Number and Value of New Sales Issued
- Number and Value of Contracts Modified
- Number and Value of Contracts Completed
- Any Contracts Assigned
- New Sales to be presented for approval

Non-IDL Sales of Timber

A total of 17 sales were processed by the Financial Program for timber sold on other than IDL State land. This includes state parks and Fish and Game ground. Invoices and receipts totaling \$595,637.21 for these sales were processed through the Financial Program in fiscal year 2007.

Forest Management Program

Forest Management includes what was previously known as the Forest Improvement Program (FIP) and has grown to include hazard management and road maintenance projects. The dedicated accounts for fire hazard management and deferred road maintenance have been eliminated. Fire hazard management and road maintenance is regarded as a cost of doing business and no longer directly charged to the timber sale purchaser. The FM Project Manager has worked closely with the Department financial program to track forest management project costs by Area and project type. Funding for these activities all come from earnings reserve and must be budgeted along with other Area project expense planning, and is subject to legislative authorization each year as part of the Division of Forest Resources. Area Forest Management (FM) project budget requests are further justified by the annual FM project plans. As an example, each timber sale has hazard management requirements that must be planned for within the timber sale package and incorporated into the annual FM project budget.

Expenditures by activity for fiscal year 2007 are as follows:

Type of ProjectFY07 Costs

Reforestation and young stand management (100)	\$820,000
Road Construction, Maintenance & Easements (200)	\$776,000
Genetic Tree Improvement (300)	\$7,700
Surveying (400)	\$72,000
Timber Sale and Project Prep. (500)	\$66,000
Seedling Growing	\$150,000
Hazard Management (600)	\$523,000
Mixed State Crew HM & FM work (700)	<u>\$35,000</u>
Total	\$2,390,300

Beginning in fiscal year 2006 FM cost has been tracked using a different accounting process than previously. This has been driven by a need to track these costs more effectively and by the change from dedicated accounts. As all costs are now paid from earnings reserve, we can more effectively account for the dollars spent by project. Fiscal year 2006 was a start-up year and not all costs were tracked consistently. fiscal year 2007 costs stated above are true costs as expended by project class. Subsequent years will enable a direct comparison of costs by project from year to year.

The following contracts have been prepared and executed by the Bureau to coordinate the above forest management work:

Four Survey Contracts	15.5 miles plus 37 corners
Spring Planting Contract	1683 acres, 542.1 M seedlings
Site pre-slashing-Excavator Piling Contract	65 acres
Forest Fertilization Contract	490 acres
Thinning-Pruning-Green Cull Contract	2540 acres
Animal Damage Control Contract	74 acres
Roadside Vegetation Control Contract	244 miles
Road Inventory Contract	225 miles
Timber Sale Preparation Contract	1581 acres
Fall Planting Contract	546 acres, 179.6 M seedlings
Ground Based Herbicide Treatment Contract	120 acres

Cooperative Science

Idaho Department of Lands is a participant in several professional science based cooperatives with other forest land managers located within the Intermountain Northwest. These cooperatives are designed to conduct research focused on forest management issues of common interest. The cooperatives also serve to provide on-the-job education and practical training to forest managers. The cooperatives with which IDL participates include:

Inland Forest Tree Nutrition Coop – focuses on forest soils and stand conditions that contribute to the abundance of soil nutrients.

Inland Empire Tree Improvement Coop – focuses on tree genetics and improving the performance of planted seedlings used for reforestation.

Ponderosa Pine Seed Orchard
Western Larch Seed Orchard
White Pine Seed Orchard Group
East Fork Seed Orchard Maintenance

The benefit of participation in each of these cooperatives to IDL is primarily education of its professional forest managers. Of direct benefit to IDL are the supplies of genetically improved tree seed for reforestation projects across the state.

Communication and Interaction with Area Staff

Communication with Timber Industry

During the 2007 fiscal year the Timber Management Bureau coordinated with the Intermountain Forest Association (IFA) to provide tours of several of the most technologically advanced sawmill facilities in Idaho. The purpose of these tours is to familiarize IDL personnel with current mill operations and to provide a forum for dialogue between the ground pounding IDL foresters and timber sale purchasers. Tours and meetings conducted in fiscal year 2007 included Bennett Forest Industries at Grangeville, Riley Creek Lumber at Laclede, and Stimson Lumber at Plummer. Good participation levels (25 to 30 people) at each of these facility tours guaranteed a lively discussion of on-the-ground timber sales issues. Each of the companies who hosted the tours provided excellent presentations of the current forest product market from their unique perspective. Industry presenters included Mark Brinkmeier, owner of Riley Creek Lumber, Scott Atkinson, mill manager of Bennett Forest Industries, and Reid Alf, procurement manager for Stimson Lumber. Representatives from the timber industry were unanimous in expressing their appreciation for the foresters who were actually out on the endowment ground doing the “real” work of the Department of Lands.

Bureau staff, as well as operations staff, meets regularly with members of IFA to identify, discuss, and solve issues regarding the timber sale program. Timber purchasers have requested that the IDL provide draft timber sale information, such as maps, cruise volume estimates, and sale schedules earlier and electronically. The bureau has initiated the process to contract a technology company to design an internet website where the timber sale information can be posted as soon as it becomes available in draft form, thereby providing prospective purchasers more time to analyze timber sale.

Communication with Business Community

The Coeur d’Alene Chamber of Commerce maintains a Natural Resource Committee which meets monthly. A Bureau representative attends these committee meetings to advise the Chamber of the Idaho’s endowment lands’ contribution to the business economy of North Idaho.

Resource Supervisors Meetings

The Forest Management Bureau schedules and organizes quarterly meetings with resource supervisors and bureau staff at the Coeur d’Alene staff office. The purpose of the resource supervisors meetings is to promote dialogue amongst resource supervisors who are scattered across the state and to facilitate communication between bureau and operations staff. These

meetings provide an opportunity to clarify policy and purpose of policy. Resource supervisors and bureau personnel collaborate to determine agenda topics for this meeting. Small Areas, which may have no resource supervisors, send Area managers or resource specialists to this meeting so that all Areas are represented.

Intranet

The IDL intranet has become a primary source for forest management information, operational forms, procedural manuals, reports, and general information. The Bureau is using this as a primary means of providing information to the department.

The site contains forms for use with forest management and timber management activities. All of the 900 series Operational Memoranda are listed here and renewed as they are updated. The procedural manuals for forest management activities and for timber management are listed in full on this site. Any and all updates to either of these manuals are shown as quickly as they are finalized. Reports such as the current Debtors List, the current FM contracts and the quarterly delivered log prices are shown. The Bureau has attempted to show a listing of upcoming forestry related training sessions provided to enable foresters to see what is available and schedule possible attendance. There are also sections relating to each of the Forest Management program and the Timber Management program.

The effort of the Bureau is to provide current, useful information to all of the Areas. This sight has become the “go to” source for quick access to needed documentation and procedural information. The information and data listed here is updated as often as new details are finalized.

Area Visitations

The Bureau has made formal visitations to six of the Areas during 2006. These visitations included Priest Lake, Kootenai Valley, Ponderosa, Payette Lakes, Southwest, and Eastern Idaho Areas. The intent of these visitations is to allow the Area to discuss issues of immediate and future management activities and of contracting issues. The visitations also serve as a means of communicating with each Area about programmatic and policy issues facing the department.

These visits begin in the Area office allowing for discussion of either specific issues or general topics. Field visits follow with review of some of the variety of management activities facing each area. During 2006 the field visits included review of the Rockland fire in Eastern Idaho; site preparation planning and the hard light of economics in Southwest Idaho; current timber sale activities and future sale plans in Payette Lakes, rights-of-way acquisition and road management along with forest improvement and cone collection in Ponderosa; contract

language, forest activities, and future timber sales in Kootenai Valley; and timber sale plans, road access, and forest improvement activities in Priest Lake.



Rockland Fire – Eastern Area



Eastside Payette Timber Sale post-logging

The Bureau has held meetings with each Area in addition to the field visits. The purpose of these visits was to ensure that some of the key messages of the All IDL meeting in December were reinforced. These focused on communication both up and down within the organization. We stressed what the Staff responsibilities are and what the Line responsibilities are. We discussed the importance of making decisions on a prescriptive basis instead of a standards basis wherein the Areas and personnel are empowered to act. The message of the importance of looking at each job performed from the point of view of managing the endowment assets has been consistent throughout each encounter with each Area.

Perhaps the most important aspect of Area Visitations is the opportunity the Areas are afforded to showcase the work that is being done on the ground and the people who are doing it. IDL has many new faces on most Areas. These new employees bring new knowledge, new energy, and fresh ideas. The Bureau is responsible for and challenged to provide the training necessary to support their management efforts. The work being implemented on the ground demonstrates the leadership position that IDL has in forest management within Idaho and the Northwest.



Planted seedling – Priest Lake



Recent timber sale - Southwest

Training

The Bureau is responsible for providing the training to ensure a successful forest management program. This training targets new personnel, ensuring that adequate skills are in place, and ensuring that IDL serves as a leader in forest management in Idaho and the northwest. Training needs are cyclical depending on the current level of experience among the forest management staff of IDL. Some training will be entirely new and some will be repeat or refresher training. This year the Bureau provided training relating to timber cruising, new timber cruise summary compilation programs, cedar poles, scaling, and contract administration.

Training Course	Number of Attendees
Advanced Variable Plot Cruising	20
FSCruise Program Training	30
I Love Poles	24
Log Scaling	25
Contract Administration	20

The timber cruising training was for experienced and advanced cruisers. This training was conducted by John Bell of Bell and Associates and Kim Iles of Iles and Associates, Ltd. Both are highly recognized professional practitioners in the field of forest biometrics. This four day training addressed forest statistics, sampling methods, and cruising methods. The training was attended by approximately 20 foresters.

The Bureau has instituted the use of the Forest Service cruise program called FS Cruiser beginning this year. This program has considerable flexibility for sampling type, cruise method, and output. It is new to the department with a fairly steep learning curve, but ultimate effectiveness of use. Additionally, the program is readily available and free to public use. The training offered brought at least one designated person from each area and provided three days of hands on training on the use of the program. The training was attended by approximately 30 IDL foresters and a few from other agencies.

The cedar pole policy and rules existent in Idaho require careful, deliberate implementation to meet the requirements of the Idaho Code relating to cedar poles. This training, conducted by Senior Scaler Gene Lewis, has consistently provided the necessary background and on-the-ground application to support the sale of cedar poles. This years training was attended by about 24 foresters. This training was conducted by experts within the department and by industry foresters. It included one day in a classroom setting and one day in the field.

Idaho statute requires that log scalers be licensed by the State to scale commercial logs products in Idaho. Each year most of the scalers are checked scaled by the Idaho Board of Scaling Practices as a formal function of the licensing process. IDL scalers are too busy scaling logs during the period of May to February to participate in other training or agency activities. During the off season or “breakup” each year the scaling staff meets to review updates to IDL policy, changes in organization, topics of interest and a review of specific aspects of log scaling. This year this training included driver training and a review of cedar log scaling at the Potlatch-Lewiston log yard.

Timber sale contract administration is an important part of the daily job requirement for IDL foresters. The Bureau is responsible to ensure that contract administration is conducted consistently across the range of Areas and timber sale contract types in use throughout the state. This year training was provided for contract administration to about 20 new state timber sale contract administrators. Although the purpose is to provide training on all types of state contracts, the focus of training is the timber sale contract. This serves as a more complicated contract base and contains the most elements of complexity that administrators are likely to encounter.

Forest Inventory

The forest inventory for IDL managed lands serves as the basis for the determination of how much volume is available for harvest and what the sustainable harvest level will be. This inventory data is also used to establish timber valuation for the forested endowment lands. Forest inventory data is updated on a periodic basis of either 5 year cycles or 10 year cycles depending on the type of inventory system. IDL is currently using two inventory systems. One system is the Continuous Forest Inventory (CFI) which is a series of permanent plots that were established across the endowment lands by timber cover type beginning in the 1960's. The other system is a forest stand based inventory which uses temporary plots measuring individual forest stands. Both systems combined provide the usable inventory data.

Accomplishments for fiscal year 07 include:

- The completion of the recent update of inventory data for the Eastern Idaho Area. This update covered the primary forest class lands. This inventory covers 44,551 acres and a standing timber volume of 282.4 million board feet.
- The preparation and execution of stand based inventory contracts for Priest Lake, Kootenai Valley and Ponderosa Areas.
- The Forest Inventory Analyst attended bureau Area Visitations to Priest Lake, Payette Lakes, Cataldo, Southwest and Mica Areas.
- The Forest Inventory Analyst attended the USFS Forest Inventory and Analysis (FIA) meeting in Fort Collins, Co. He also attended the Western Mensurationist meeting in California.
- Timber types continue to be updated upon the completion of each timber sale activity. This is an ongoing function of maintaining the accuracy of the forest inventory.
- The stand based inventory was updated using the data received from timber stand cruises for Priest Lake, Kootenai Valley, and Ponderosa Areas.
- Forest inventory data was used to update the Revenue Projections for the Endowment Investment Board.

FY 2007 Expenditures

Eastern Idaho CFI Contract	\$16,755.60
Priest Lake Stand Inventory	\$92,413.36
Kootenai Valley Stand Inventory	\$19,761.38
Ponderosa Stand Inventory	<u>\$28,421.72</u>
Total	\$157,352.06

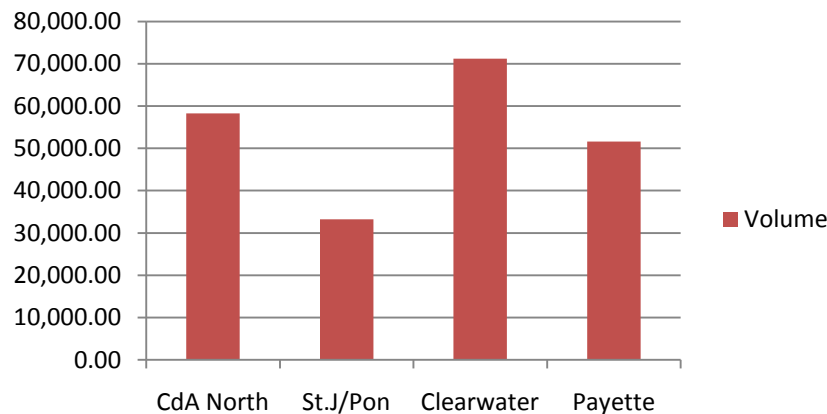
Log Scaling Program

The log scaling program of the Bureau is charged with the measurement of all volume sold on a pay-as-cut basis by IDL. The program is divided into four geographic areas. Each area is lead by a Senior Scaler and staffed by three permanent scalers and may have one or more temporary scalers. As of this report all scaling positions are filled. The volume being harvested from state timber sales keeps this staff working at peak levels.

FY07 Scaled Volume

	1st 1/2	2nd 1/2	Total FY07
CdA/ North	38,449.29	19,837.85	58,287.14
St.Joe/Ponderosa	21,849.38	11,366.82	33,216.20
Clearwater	44,465.14	26,761.30	71,226.44
Payette	34,557.26	17,045.50	51,602.76
	139,321.07	75,011.47	214,332.54

Scaled Volume FY07



During 2006 the volume of logs accounted for and/or scaled by IDL scalers increased from 177MMBF for fiscal year06 to 214MMBF for fiscal year07. This volume was delivered to 68 different locations from John Day, Oregon, to Libby, Montana, and from Kettle Falls, Washington to Livingston, Montana. The harvest volume increase planned by IDL is beginning

to show in the volume delivered to the various mills in and around Idaho. This increase of 37MMBF was handled largely by IDL scalers, although there was approximately 2MMBF scaled by contract scalers in Oregon. The range of out-of-state scaling has been increased from 75 mile radius to 85 mile radius. Mills out of state are increasingly looking to Idaho as a contributing source of their wood supply.

Mapping

The forest lands managed by IDL include several areas that are as yet undeveloped and unmanaged. These are locations that are primary base forest lands but for a variety of reasons have either not yet been accessed by roads for management purposes or for which further development planning is necessary. In an effort to aid with the efficient and effective planning and design of roads and subsequent harvest systems the Forest Management Bureau is assisting the Areas' planning efforts by providing detailed contour maps for each of these locations. The USGS maps in use for most of the ownership are 80 or 40 foot interval contour maps. These maps, while providing a reasonable view of the terrain, do not provide a degree of accuracy desirable for effective planning. The detailed maps created contain contours at 20 foot intervals to provide this level of accuracy. The following areas and acreages have been mapped at this detail during fiscal year 07.

Location	Acreage
Smith Ridge and Benton Butte (St. J, Clw)	17,550
Aldermant (Pond.)	12,577
Carpenter (St. J)	10,581
Lost Girl/Butler Cr. (Cat.)	3,095
Robinson Cr./Eagle Ridge (Cat.)	1,359
Dudley/Latour Cr. (Cat.)	573
Thomas Cr./Bear Cr. (Cat.)	3,158
Sundance (KV) still in progress	24,100
Total Acreage mapped	72,993

Mapping has included acquisition of full aerial photographic coverage of each location, GIS digital mapping, and hard copies of each location. Each respective Area is now able to access the mapping on its GIS access link for use at any time.